

AR DEPARTMENT OF AERONAUTICS

Enabling Laws

Act 233 of 2005
AR Code §27-115-101 et seq.

History and Organization

The mission of the Arkansas Department of Aeronautics is to create a safer, more desirable atmosphere for the pilot, and at the same time, create and improve airports to better serve Arkansas communities, industries, and the general public.

The Department was created by Act 457 of 1941, as amended by Act 373 of 1965, and is charged with the following duties:

(a) Provide for the examination and licensing of airports in the State; (b) adopt rules and regulations for the issuance, expiration, suspension, or revocation of licenses of airports; (c) establish air space reservations within the State; (d) designate, establish, and chart civil airways, and publish a map of such; (e) investigate accidents in air navigation; (f) encourage the establishment of airports, civil airways, and other navigation facilities; (g) supervise and regulate the safety of airports; (h) adopt rules and regulations for flight instruction; (I) adopt rules and regulations for aerial markings; (j) adopt rules and regulations for aerial beacon lights; (k) exchange with other government agencies information pertaining to civil air navigation; (l) enforce the regulations and air traffic rules through local authorities; and (m) establish minimum safe altitudes for flight in the State.

In 1967, Act 499 provided that all revenue derived from the Gross Receipts Tax on aviation fuel shall be deposited in the State Treasury to the credit of the Arkansas Department of Aeronautics Fund to be used solely for constructing airports, civil airways, and other navigational facilities in the State.

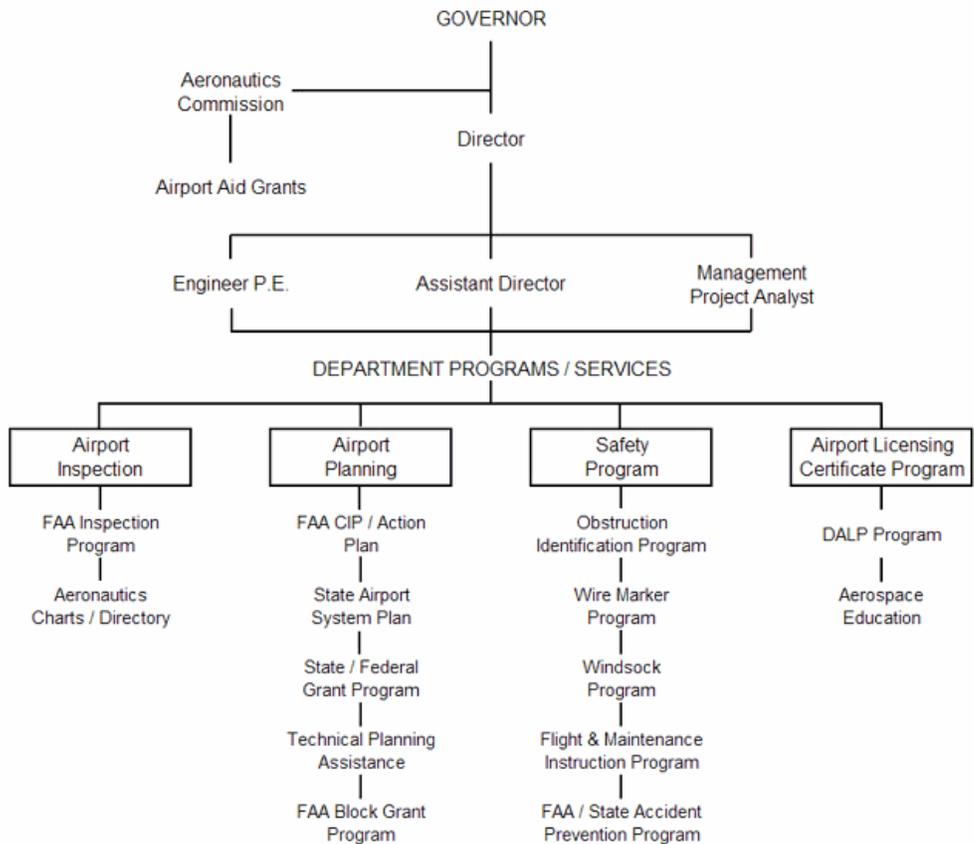
Act 38 of 1971 transferred the Arkansas Department of Aeronautics by a Type 2 transfer to the Department of Planning as the Division of Aeronautics. Act 64 of 1973 increased the Aeronautics Commission from five members to seven.

Act 278 of 1975 abolished the Department of Planning and placed the Division of Aeronautics in the Department of Local Services. Act 733 of 1977 provided that all revenues derived from the Arkansas Gross Receipts Tax on aircraft, aviation fuel, aircraft services, and aircraft parts and accessories shall go to the Arkansas Division of Aeronautics Special Fund.

Act 764 of 1981 transferred the Division of Aeronautics to the Arkansas Department of Commerce by a Type 2 transfer. This change placed the Division of Aeronautics under the Director of the Department of Commerce and the Governor, with the seven member Aeronautics Commission continuing in an advisory capacity.

Act 691 of 1983 abolished the Department of Commerce and restored the Arkansas Department of Aeronautics to independent status to function in the same manner as it functioned prior to its transfer to the Department of Local Services and the Department of Commerce. Provided, however, that the

administrative head of the Department shall be appointed by the Aeronautics Commission, with the approval of the Governor, and shall serve at the pleasure of the Governor.



Agency Commentary

The Arkansas Department of Aeronautics was established to foster and maintain a safer environment for flight and to create and improve airports to better serve communities, industries, and the general public. To insure that the efficient provision of services may be continued for current programs and airport aid projects, the Department requests Capital Outlay in the first year to replace a vehicle used for ground level airport inspections and an amount in the second year to replace data processing equipment that uses special designing software and runs FAA sanctioned and mandated programs.

A substantial increase is requested for each year in the line item for disbursement of state airport aid grants to employ additional revenues received by the Agency to match a larger amount of federal airport aid funds.

In the Department's Federal Grant appropriation, the request is for continuation of the current level of authorization for dispensing anticipated federal airport aid block grant funds.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF AERONAUTICS
 FOR THE YEAR ENDED JUNE 30, 2004

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	3	1	4	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			4	100 %

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
State Aeronautical Chart	N/A	N	N	10,000	Provided as a service to general flying public for safety and informational purposes. Requested by individuals and businesses State and nationwide. (Published biennially)
State Airport Directory	N/A	N	N	10,000	Provides information to the flying public concerning individual Arkansas airports. (Published biennially)

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
665 Aeronautics-State Operations	6,940,663	4	6,975,879	4	6,978,887	4	9,013,775	4	9,013,775	4	8,989,775	4	8,989,775	4
666 Aeronautics-Federal Grants	165,532	0	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0
Total	7,106,195	4	18,975,879	4	18,978,887	4	21,013,775	4	21,013,775	4	20,989,775	4	20,989,775	4

Funding Sources		%		%		%		%		%		%		
Fund Balance	4000005	11,351,772	55.3	13,416,270	40.8		13,940,391	41.7	13,940,391	41.7	12,426,616	38.9	12,426,616	38.9
Federal Revenue	4000020	165,532	0.8	12,000,000	36.5		12,000,000	35.9	12,000,000	35.9	12,000,000	37.6	12,000,000	37.6
Special Revenue	4000030	9,005,161	43.9	7,500,000	22.7		7,500,000	22.4	7,500,000	22.4	7,500,000	23.5	7,500,000	23.5
Total Funds		20,522,465	100.0	32,916,270	100.0		33,440,391	100.0	33,440,391	100.0	31,926,616	100.0	31,926,616	100.0
Excess Appropriation/(Funding)		(13,416,270)		(13,940,391)			(12,426,616)		(12,426,616)		(10,936,841)		(10,936,841)	
Grand Total		7,106,195		18,975,879			21,013,775		21,013,775		20,989,775		20,989,775	

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Total	Total	Total	Total			Total				
4	4	0	4	0	0.00%	4	4	0	4	0	0.00%	4	4	0	4	0	0.00%

Analysis of Budget Request

Appropriation: 665 - Aeronautics-State Operations

Funding Sources: SDA - Department of Aeronautics Fund

The Department of Aeronautics' State Operations appropriation is funded entirely by special revenues derived from a tax on the sale of aviation fuels and aviation related products sold for use in aircraft weighing less than 12,500 lbs., as authorized in Arkansas Code § 27-115-110. Base Level for the Department is \$6,983,775 each year.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month. Additions to Base Level are requested as follows:

An increase of \$2,000,000 each year is requested in the line item for disbursements of State airport aid grants to match a larger amount of federal airport aid funds.

Capital Outlay of \$30,000 is requested in the first year for replacement of the vehicle used for airport and project inspections and \$6,000 is requested in the second year to replace data processing equipment that employs special engineering and FAA sanctioned planning and designing software.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 665 Aeronautics-State Operations
Funding Sources: SDA - Department of Aeronautics Fund

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	241,520	237,794	237,794	237,794	237,794	237,794	237,794	237,794	237,794
#Positions	4	4	4	4	4	4	4	4	4
Personal Services Matching 5010003	56,680	57,056	60,064	64,952	64,952	64,952	64,952	64,952	64,952
Operating Expenses 5020002	126,047	160,029	160,029	160,029	160,029	160,029	160,029	160,029	160,029
Conference & Travel Expenses 5050009	5,929	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Professional Fees 5060010	10,496	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	6,499,991	6,500,000	6,500,000	6,500,000	8,500,000	8,500,000	6,500,000	8,500,000	8,500,000
Capital Outlay 5120011	0	0	0	0	30,000	30,000	0	6,000	6,000
Total	6,940,663	6,975,879	6,978,887	6,983,775	9,013,775	9,013,775	6,983,775	8,989,775	8,989,775
Funding Sources									
Fund Balance 4000005	11,351,772	13,416,270		13,940,391	13,940,391	13,940,391	12,426,616	12,426,616	12,426,616
Special Revenue 4000030	9,005,161	7,500,000		5,470,000	7,500,000	7,500,000	5,494,000	7,500,000	7,500,000
Total Funding	20,356,933	20,916,270		19,410,391	21,440,391	21,440,391	17,920,616	19,926,616	19,926,616
Excess Appropriation/(Funding)	(13,416,270)	(13,940,391)		(12,426,616)	(12,426,616)	(12,426,616)	(10,936,841)	(10,936,841)	(10,936,841)
Grand Total	6,940,663	6,975,879		6,983,775	9,013,775	9,013,775	6,983,775	8,989,775	8,989,775

FY06 Actual expenditures exceed Authorized Appropriation in Regular Salaries due to payments of bonuses earned according to guidelines in the Career Ladder Incentive Program.

Change Level by Appropriation

Appropriation: 665-Aeronautics-State Operations

Funding Sources: SDA - Department of Aeronautics Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	6,983,775	4	6,983,775	100.0	6,983,775	4	6,983,775	100.0
C01	Existing Program	2,030,000	0	9,013,775	129.0	2,000,000	0	8,983,775	128.6
C08	Technology	0	0	9,013,775	129.0	6,000	0	8,989,775	128.7

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	6,983,775	4	6,983,775	100.0	6,983,775	4	6,983,775	100.0
C01	Existing Program	2,030,000	0	9,013,775	129.0	2,000,000	0	8,983,775	128.6
C08	Technology	0	0	9,013,775	129.0	6,000	0	8,989,775	128.7

Justification

C01	An increase of \$2,000,000 each year is requested in the line item for disbursement of state airport aid grants to use additional revenues received by the Department to match a larger amount of federal airport aid funds. Capital Outlay of \$30,000 is requested for FY08 to replace the Department's vehicle used for airport and project inspections.
C08	Capital Outlay in the amount of \$6,000 is requested for FY09 to replace data processing equipment that runs AutoCad and FAA sanctioned design software requiring large amounts of memory and hard drive space.

Analysis of Budget Request

Appropriation: 666 - Aeronautics-Federal Grants

Funding Sources: FAA - Federal Funds

The Aeronautics-Federal Grants appropriation is authorized for disbursement of Federal Airport Aid Block Grant Funds when and if those funds are approved by the U.S. Congress for the State of Arkansas. The Agency requests continuation of this appropriation at the \$12,000,000 level currently authorized to improve airport infrastructures and to upgrade safety features and equipment.

During FY06, \$165,532 was provided by the Federal Aeronautics Administration and was expended to assess and update the State Airport System Plan to determine priorities for repairs and upgrading.

The Executive Recommendation provides for the Agency Request

Appropriation Summary

Appropriation: 666 Aeronautics-Federal Grants
Funding Sources: FAA - Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	165,532	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Total	165,532	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Funding Sources									
Federal Revenue 4000020	165,532	12,000,000		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Total Funding	165,532	12,000,000		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	165,532	12,000,000		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000